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American Hardwood Design Camp III Evaluation

Report Categories:

CSSF Activity Evaluation

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Report Highlights:

"TH1044" the "American Hardwood Design Camp III", a follow-up activity to the successful FY2008 & 2009 Furniture Design Camp, involved FAS/Bangkok, the U.S. Hardwood Export Council (AHEC), and the Thai Furniture Industries Association (TFA). Ten teams of designers in association with eight furniture manufacturers produced 10 prototypes using U.S. cherry and oak to promote U.S. hardwood. The program expects an increase in the market share of U.S. hardwood in the furniture industry of 10 percent or about 120,000 cubic meters with an approximate value of \$60 million by 2015.

General Information:

COUNTRY STRATEGY SUPPORT FUND

AMERICAN HARDWOOD DESIGN CAMP III PROJECT

1. **Activity Code:** CSSF Budget 7400000543 Wood Promotion
2. **Beginning/Ending Date:** March 2010 - March 2011
3. **City/Country:** Bangkok, Thailand
4. **Market Constraints and Opportunities**

The “American Hardwood Design III”, is a follow-up activity to the successful FY 2009 Furniture Design Camp involving FAS/Bangkok, the American Hardwood Export Council (AHEC), and the Thai Furniture Industries Association (TFA). The purpose of the event is to support, educate, and create awareness of U.S. hardwood to architectural and furniture design students, and furniture manufacturers in the use of U.S. hardwood in order to substitute para-rubber wood which accounts for 90 percent of total wood usage in Thailand, a market worth approximately \$1.0 billion. The market is ripe for U.S. hardwood as Thai furniture exporters/manufacturers are required to follow sustainable development policies and products from the EU, US and Japan in order to avoid using illegal forestry techniques and timber sources, additionally furniture manufacturers continue to have problems on high prices and shortage of para-wood, their leading hardwood source, due to high latex prices which discourage farmers to cut trees for wood production.

In 2010, total Thailand furniture export market was valued at \$1,173 million out of which \$589 million was wooden furniture. On the other hand, the total value of hardwood imports to Thailand was \$328 million, an increase of 12% from 2009 which had a value of \$293 million. Three Asian countries -Malaysia, Laos, and Myanmar-were major exporters of hardwood lumber to Thailand and U.S. imports ranked number four valued at \$21.3 million.

5. Expected Results and Desired Outcome

The Design Camp III built upon lessons learned from the first and second Design Camps. For this Design Camp, all parties agreed to focus on producing more commercial prototypes adhering to the theme of “Smart Designs for Small Space Saving” in which ten design teams participated at. The instructors for this event were a professional team from King Mongkut’s Institute of Technology Ladkrabang and furniture sourcing agents which were able to give details about the furniture market, current trends, and outstanding designs for the local and international markets. The teams’ prototypes were rigorously evaluated by Mr. Pramote Kitchumnongpan, a leading furniture sourcing expert from MaxFine Co, to ensure that the designs adjusted the commercial

applications and household use.

In another phase of the program, a team of three furniture manufacturers and one hardwood importer went to west coast of the USA under the Cochran Fellowship Program in January, 2011. This trip included a visit to Las Vegas furniture show, training on sustainability, and a timber mill visit to a Weyerhaeuser facility close to Seattle. During this visit, the team became familiar with U.S. cutting and grading standards and were also able to learn more about alder properties for furniture production, a program which was initiated by Weyerhaeuser targeting the furniture industry.

6. Actual Results and Outcome

Ten teams of designers in association with eight furniture manufacturers produced ten prototypes using U.S. white oak and cherry woods. The prototypes were showcased at the Thailand International Furniture Fair (TIFF) during March 16-20, 2011, the largest fair of its kind in Thailand. The venue was held at the Bangkok International Trade and Exhibition Center (BITEC) and attracted 4,054 total visitors of which 1,007 came from overseas.

H.E. Ambassador Kristie Kenney together with the Office of Agricultural Affairs participated at the TIFF official opening on March 9. The Ambassador was accompanied by the Deputy Commerce Minister Mr. Alongkornn Pollabutr, the Director General of the Department of Export Promotion Mrs. Nuntawan Sakuntanaga, the President the Thai Furniture Industries Association Mr. Paiboon Pinitkanshanapun, and the President of the Federation of Thai Industry Mr. Veerachai Kunavichayanont. Ambassador Kenney delivered opening remarks at the Design Camp Pavilion in which she stressed the qualities, sustainability and year round availability of U.S. hardwoods. Her presence was covered by the leading Thai newspapers, which were impressed by her ability to deliver concise and meaningful remarks and her overall charisma. Ambassador Kenney also conducted an interview for DayBeds Magazine to discuss the Hardwood Camp and the sustainability of U.S. hardwoods. DayBeds magazine has a monthly circulation of 100,000 copies targeting young professionals and office people.

Results from the 10 prototypes showcased during TIFF March 16-20, about 5 serious commercial leads from overseas and local markets have been made. FAS/Bangkok has sent the leads to the furniture manufacturers that were responsible to manufacture them to follow-up with the interested parties. Also, approximately 30 consumers that visited the Pavilion on the two opened for the public inquired on the desire on how they could purchase the prototypes, unfortunately the prototypes are yet to be commercially available!

A result of the Cochran Fellowship Program, the participants and Weyerhaeuser are discussing about prices and the possibility of establishing a lumberyard in Thailand. One participant, Mr. Arak from East Coast Co., would like to use Alder wood to produce a dining and bed set for local market trial, he has already placed an order for 10 cubic meters.

7. Recommendations/Follow-up Evaluations

This year's project resulted in a more commercial exposure for the prototypes, and with good marketing possibilities. FAS/Bangkok is in discussions with its partners, TFIA and AHEC, to support a similar project in 2011/2012. FAS/Bangkok will propose to target up-and-coming furniture and interior designers in a competitive venue, with an end result of having industry support the winner's upcoming projects using U.S. hardwood.

The 2010 project's activity and seminar was able to solve some of the problems or recommendations that FAS/Bangkok proposed last year. Our recommendations that were solved were an emphasis creative design techniques, U.S. Ambassador participation and plenty of time for the manufacturers to design the prototypes. However, our comments fell short to have the seminar concentrate on specific wood types that AHEC would be providing as they also have trouble knowing exactly what wood they'll be sourcing for the event. We strongly believe that having this information in advance, would help students have a better understanding on the type of prototypes they could elaborate based on the specific hardwoods available.

An insertion of three year prototypes and comments from co-organizers, participating furniture manufacturers, and students, and information about U.S. hardwood should be done before the next project starting in order to remind the U.S. hardwood as a substitution.

The TIFF 2012 Show should be scheduled as early as possible for PR and marketing purposes. The organizer has tentatively set March 14-18, 2012 for TIFF show, and PR must be active since the beginning to attract the most visitors possible as the Singapore Furniture Show will be held on March 9-12 and the 27th China International Furniture Fair in Guangzhou on March 18-21.

8. Cost

Budget Source	Cost
Thai Furniture Industries Association (TFA)	\$24,000 Cost for TIFF booth space, booth design, manufacture of 10 prototypes, and speakers' fees.
American Hardwood Export Council (AHEC)	\$23,000 Cost for seminar materials, KMTL Professors team to supervise students during prototype workshop, advertisement on DayBeds magazine, TIFF booth space and design. Excludes the cost of speakers' from Hong Kong and USA.
U.S. Department of Agriculture (USDA)	\$9,000 Cost for seminar package for designers, professors, furniture industry contacts and students at Thailand Creative & Design Center (TCDC) and workshop venue at Diamond Place, Rangsit for accommodation and meals, transportation for students and professors visit to furniture plants, duplicate CDs containing wood information, PR insertion in DayBeds magazine.

